

Federal Accounting Standards Advisory Board

FOR MORE INFORMATION:

Richard Wascak
(202) 512-7363
wascakr@fasab.gov

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NEWS RELEASE

FASAB PUBLISHES STATEMENT OF FEDERAL FINANCIAL ACCOUNTING STANDARDS 23, *ELIMINATING THE CATEGORY NATIONAL DEFENSE PROPERTY, PLANT AND EQUIPMENT*

The Chairman of the Federal Accounting Standards Advisory Board (FASAB), David Mosso, announced today that the FASAB has issued Statement of Federal Financial Accounting Standards (SFFAS) 23, *Eliminating the Category National Defense Property, Plant and Equipment* today. The standards in SFFAS 23: 1) rescind the category "National Defense Property, Plant, and Equipment" (ND PP&E); 2) classify all PP&E previously considered to be ND PP&E as general PP&E and apply the provisions for general PP&E and associated cleanup costs for general PP&E contained in SFFAS 6; and, 3) continue to permit the composite or group depreciation methodology.

Mr. Mosso stated "This Statement represents a major step in the process of ensuring accountability for all operating property, plant, and equipment through the framework of generally accepted accounting principles. Although implementation is expected to take several years, the Department of Defense has already begun planning its implementation of the Statement through a project aimed at upgrading and integrating the Department's financial and related systems. From those systems the Department should be able to produce financial statements that pass rigorous audit scrutiny. That in turn should remove a major obstacle to achieving an unqualified audit opinion on the consolidated financial statements published in the *Financial Report of the United States Government*."

The standards prescribed in SFFAS 23 are effective for periods beginning after September 30, 2002. The statement is available on the FASAB web site at <http://www.fasab.gov/concepts.htm>. Printed copies have been mailed to those on the FASAB mailing list and can be obtained from FASAB by calling 202-512-7350.

ABOUT FASAB

The mission of the FASAB is to promulgate federal accounting standards after considering the financial and budgetary information needs of citizens, congressional oversight groups, executive agencies, and the needs of other users of federal financial information.

Accounting and financial reporting standards are essential for public accountability and for an efficient and effective functioning of our democratic system of government. Thus, federal accounting standards and financial reporting play a major role in fulfilling the government's duty

to be publicly accountable and can be used to assess (1) the government's accountability and its efficiency and effectiveness, and (2) the economic, political, and social consequences of the allocation and various uses of federal resources.

For more information on FASAB, please visit our website: <http://www.fasab.gov>